

103
DEVELOPMENTS IN NORTH KOREA

Y 4.F 76/1:K 84/16

Developments in North Korea, 103-2...

HEARING
BEFORE THE
SUBCOMMITTEE ON
ASIA AND THE PACIFIC
OF THE
COMMITTEE ON FOREIGN AFFAIRS
HOUSE OF REPRESENTATIVES
ONE HUNDRED THIRD CONGRESS
SECOND SESSION

JUNE 9, 1994

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DEVELOPMENTS IN NORTH KOREA

THURSDAY, JUNE 9, 1994

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
SUBCOMMITTEE ON ASIA AND THE PACIFIC,
Washington, DC.

The subcommittee met, pursuant to call, at 3:15 p.m. in room 2172, Rayburn House Office Building, Hon. Gary L. Ackerman (chairman of the subcommittee) presiding.

Mr. ACKERMAN. The subcommittee will come to order.

Eight months have now passed since our last open public hearing devoted exclusively to developments in North Korea. North Korea has done nothing constructive on the nuclear problem. The past 8 months, in fact, pretty much reflect the past 8 years.

NORTH KOREA HAS FAILED TO COMPLY WITH ITS NPT OBLIGATIONS

Since 1986, when it joined the Nuclear Nonproliferation Treaty, North Korea has failed consistently to comply with its NPT obligations and has produced a steady stream of alibis to justify its refusal to allow the international community to gain a clear picture of its nuclear program.

We should be learning something.

It should be dawning on us, after 8 years, that we may never obtain the kind of concrete evidence about Pyongyang's nuclear program, one way or the other, that the IAEA is supposed to acquire and which would eliminate every shard of doubt. Pyongyang controls all of the evidence.

We also should apply what we have learned elsewhere.

One of the lessons we supposedly learned from Somalia was to avoid diluting our decisionmaking sovereignty. If U.S. interests are directly at stake, we should move to acquire more direct control over our own role. Our emphasis on the IAEA's role allows that strategy to make decisions which affect future U.S. actions and which can limit U.S. flexibility and options. And we learned from Haiti, Somalia, and Bosnia that we need to improve our bite-to-bark ratio, or to stop barking.

Another lesson we learned was not to commit ourselves to a course of action without a clear set of objectives.

We should question whether our objectives are consistent with one another. Is our reliance on IAEA decisions—made in a role IAEA was not even designed for—consistent with the maintenance of U.S. regional leadership and prestige? The IAEA is essentially a monitoring agency. Once rejected by North Korea, should it play a leading role in trying to enforce a solution? That burden rightly

should fall elsewhere, and the IAEA's role should resume, as it did in Iraq, when a solution has been reached. The IAEA is a magnifying glass and not a hammer. You cannot drive a nail with a magnifying glass.

We should be learning that if we are Northeast Asia's premier power, we ought to pay more attention to how things are done there. South Korea and Japan, our two key allies in the region, have been cooperative but uncomfortable with the potential for direct confrontation that is inherent in initiating a sanctions process.

Irreconcilable objectives carry with them policy options that are limited and unclear. One of them is apparently military. Does the administration believe it has viable military options? And how does that square with the administration's assessment that Pyongyang may have one or two nuclear devices? Are we going to be able to find those devices in a military strike? I am not sure that we could.

SANCTIONS

Another is sanctions. I will not list all the shortcomings of sanctions but a few come readily to mind. The Security Council may not approve tough sanctions. They would likely be unenforceable anyway. They might not be a detriment, a determinant of North Korean behavior. They could strain ties with South Korea, Japan, and China. They would certainly raise the tensions on the Korean Peninsula.

If these are our best policy options, it is time to review the fundamentals of our approach. First, the elimination of Pyongyang's nuclear weapons program should be the first objective and it should not be diluted by any other consideration.

Second, North Korean motives need review. What do they want? In 1986 it may have been military parity, as Pyongyang's once formidable conventional advantage began to deteriorate. But what is it now? Is it just survival? Are we willing to accommodate them to eliminate the nuclear weapons program?

Assumptions about coalition-building need review. Is U.N.-centered collective action along Gulf War lines the right approach to take in this crisis? Is large scale coalition-building going to frighten Pyongyang into giving up its only leverage against the coalition? Would a smaller, local grouping be more effective?

We should look more carefully at North Korean behavior. Much of Pyongyang's behavior, including its refusal to allow inspection of the reactor core, suggest North Korea may earlier have acquired plutonium.

NORTH KOREA MAY NOT BE INTERESTED IN FURTHER ACQUISITIONS

It is possible North Korea may not be interested in further acquisitions. Pyongyang almost certainly recognizes that it will never be involved in a protracted nuclear engagement. North Korea would have little need for more than one or two nuclear devices. These it could be attempting to produce with plutonium from an earlier shutdown of the reactor in 1989 or from other sources during the turbulent years surrounding the collapse of the Soviet Union.

If this were the case, Pyongyang, we would think, would tend to use regular IAEA inspections, which safeguard current and future operations, as smaller bargaining chips, giving them up one by one,

piecemeal. At the same time, Pyongyang would aggressively deny access to key evidence of earlier acquisition and play for time.

Interestingly enough, this is pretty much what Pyongyang is doing. Should we not accommodate that observation in designing a negotiating framework and deal with Pyongyang?

We should drop the legalistic effort to prove North Korea guilty. We should simply consider it guilty and offer them the opportunity to prove themselves innocent.

In our talks with North Korea, we need to sidestep the circular issue of Pyongyang's compliance with IAEA safeguards—essentially a North Korean construct—and address directly Pyongyang's involvement in a nuclear weapons program rather than the efforts to obtain material proof of it.

This takes the IAEA out of the enforcement game but would protect its key monitoring role. It would ensure that U.S. action is the consequence of U.S. decisions and not triggered by some third party decision that we might not even agree with. That said, as with previous high level U.S.-North Korean dialogue, negotiations could not begin or continue in the absence of a routine IAEA-administered continuity of safeguards regime.

Continued regular safeguards inspections should pose little problem for Pyongyang if the United States puts more on the table. The current prospective U.S. third round offer is not attractive enough to generate serious negotiations since the United States will essentially offer to negotiate benefits in Geneva after North Korea has given away most of its negotiating leverage—its balky approach to regular inspections and, subsequently, its self-proclaimed special status and its refusal to allow special inspections. This approach requires submission to outside forces by North Korea's leadership, a concept dangerous to its domestic image, and it threatens the regime's survival.

WHY NOT PUT MORE ON THE TABLE?

Why not put more on the table? What the United States puts on the table now can be useful later in opening North Korea to the outside world. It would include evolving benefits, which can be reversed quickly, and one-time benefits. Evolving benefits might include liaison offices, consular relations, even full relations, gradual drawdown of U.S. forces, resumption of the EASI, other CBM's, and gradual access to IFI assistance. One-time benefits would constitute major mileposts in the process, including provision of light water reactors and the peace treaty. Each could be tied to North Korean concessions, with the two sides first negotiating an algorithm which would match specific benefits with specific concessions.

This maybe is a horse-trading, step-by-step approach to ending the nuclear problem without plaintiff or defendant. North Korea would receive benefits as—not if—it gives up its nuclear weapons program. Each North Korean nuclear concession would then be presided over by the IAEA. The process could move subsequently to reductions in conventional forces.

An algorithm approach creates a more positive, less accusatory negotiating environment in which both sides follow a mutually constructed series of steps. An algorithm approach provides assurances

to Pyongyang that it can receive benefits before it has lost all its leverage. As the benefits increase, Pyongyang's leverage gradually decreases.

NEGOTIATING ENVIRONMENT IS IMPORTANT

Negotiating environment is important. Perhaps even vital to the success of the undertaking. Pyongyang needs to be able to demonstrate domestically that it is getting as good as it gives. That means we will need to make it possible for the North Korean regime to survive the loss of its nuclear program and yet come out ahead. And though it sounds unattractive, that is something we will have to live with if we want to stop Pyongyang's nuclear program.

And let us be a little bit more receptive to reviewing our approach to talks. According to today's *Washington Post*, North Korea suggested just yesterday it might agree to full inspections if the United States would agree to resume the dialogue. Despite Pyongyang's miserable reputation as an unreliable interlocutory and its penchant for cheap forays into the propaganda world, should we not check it out? Should we not review how we could get at that or do we stiff them and just keep barking?

We are joined today by our colleague and partner, Chairman Tom Lantos. Tom.

[The prepared statement of Mr. Ackerman will not be a part of the printed hearing record.]

Mr. LANTOS. No statement.

Mr. ACKERMAN. Our only witness today is the Assistant Secretary of State for Political and Military Affairs, and the Senior Coordinator for North Korean Affairs, the Honorable Robert Gallucci. Welcome.

STATEMENT OF ROBERT L. GALLUCCI, ASSISTANT SECRETARY OF STATE, BUREAU OF POLITICAL AND MILITARY AFFAIRS, SPECIAL COORDINATOR FOR NORTH KOREA

Mr. GALLUCCI. Thank you, Mr. Chairman.

Mr. Chairman, Mr. Lantos, with your permission, I will submit a longer statement for the record and try to keep my opening remarks brief.

WE HAVE REACHED A CRITICAL JUNCTURE IN OUR EFFORTS TO RESOLVE THE NORTH KOREA NUCLEAR ISSUE

Mr. Chairman, we have once again reached a critical juncture in our efforts to resolve the North Korea nuclear issue. In spite of repeated warnings from the United States and the international community, North Korea has proceeded to discharge spent fuel from its 5 megawatt nuclear reactor in a way that makes it impossible for the International Atomic Energy Agency, the IAEA, to verify the operating history of the reactor through fuel measurements. As a result, the IAEA has declared that its ability to verify North Korea's declarations of the past plutonium production has been, in their words, seriously eroded.

We have told North Korea that although we still want to negotiate a settlement to this issue, there is presently no basis for holding a third round of high level talks. For our part, because of their

actions, we have already begun consultations with our allies and with the Security Council on appropriate next steps at the United Nations, including sanctions. As the President has said, what happens now is really up to them.

OUR POLICY OBJECTIVES IN RESOLVING THE NUCLEAR ISSUE HAVE BEEN CONSISTENT

Our policy objectives in resolving the nuclear issue have been consistent, a nuclear-free Korean Peninsula, and a strong non-proliferation regime. That means North Korea must agree to full nonproliferation treaty membership, full cooperation with the IAEA in implementing full scope safeguards, including special inspections to clear up the discrepancies in North Korea's past declarations, and full implementation of the North-South denuclearization declaration which bans uranium enrichment and reprocessing facilities and provides for a complementary bilateral inspection regime.

Mr. Chairman, it has been a full year since we began our bilateral dialogue and 11 months since our last high level meeting. For the past year, we have maintained our position on the conditions necessary for negotiations and have probed the North Korean position. In particular, we insisted that the United States could only continue the dialogue if North Korea remained in the NPT, maintained the continuity of safeguards, refrained from reprocessing or the separation of plutonium, and allowed the IAEA safeguards presence during the discharge of fuel from that 5 megawatt reactor.

The basis for discussions were well-known to the North Koreans. These conditions were essential to ensure that the North did not separate additional plutonium while we talked and that it did not destroy the evidence necessary to resolve the issue of its past plutonium production, which would be the subject of talks.

WE HAVE CREATED A FIRM INTERNATIONAL COALITION IN SUPPORT OF OUR POLICY

In the course of our diplomatic effort, we have created a firm international coalition in support of our policy. This coalition will be particularly important in any effort to seek sanctions. We have consulted closely with our allies: The Republic of Korea and Japan. They have supported and continue to fully support our policy.

Finally, we have taken prudent measures to ensure our defenses remain strong. We will continue to take whatever steps may be necessary to maintain an appropriate military posture in the region. Our diplomatic efforts have been aimed at achieving our goals beginning with a third round of talks. At the third round, we plan to propose what we have been calling a broad and thorough approach; as North Korea took steps to resolve our main nuclear concerns, we would move toward a more normal political and economic relationship.

Unfortunately, the third round was derailed when North Korea discharged spent fuel from its reactor without adequate arrangements in place for IAEA safeguards. North Korea did allow the IAEA to complete the March inspections and the maintenance activities to confirm that no fuel currently unloaded from the reactor is being diverted. This cooperation has sustained the continuity of safeguards in North Korea.

NORTH KOREA DID NOT ALLOW THE IAEA TO PRESERVE THE POSSIBILITY OF TAKING FUTURE MEASUREMENTS TO HELP DETERMINE THE PAST PRODUCTION OF PLUTONIUM

However, North Korea did not allow the IAEA to preserve the possibility of taking future measurements to help determine the past production of plutonium. These measurements are critical because they directly affect the IAEA's ability to resolve discrepancies in North Korea's initial plutonium production declaration. In other words, they go directly to the question of whether North Korea told the truth about how much plutonium it has and therefore whether it may have one or two nuclear weapons.

In conclusion, North Korea has deliberately destroyed important historical evidence. This act undercuts the basis for our dialogue with North Korea. We will not continue that dialogue until a reasonable basis for it can be reestablished. We hope that as the United Nations Security Council begins to consider a sanctions resolution, North Korea will recognize that it has overstepped the bounds and take steps necessary to rectify the situation and make resumption of our talks possible.

While the IAEA has said that the destruction of evidence seriously erodes the agency's ability to verify past production, plutonium production in North Korea, it also has said that the agency may still be able to accomplish this objective if North Korea cooperates in providing access to locations and information required by the IAEA.

I would stress, finally, that any possibility for resolving the nuclear issue must be based on North Korea remaining in the non-proliferation treaty, maintaining the continuity of safeguards, halting any further plutonium production, and preserving the possibility of that historical analysis.

Thank you, Mr. Chairman.

Mr. ACKERMAN. Thank you very much, Mr. Gallucci.

[The prepared statement of Mr. Gallucci will not be a part of the printed hearing record.]

Mr. ACKERMAN. You state that we have built a firm coalition with our allies and cite South Korea and Japan as being firmly committed to the policy goals and objectives that you have outlined. Are they committed as well to whatever course of action might be necessary to achieve those goals as they are to the goals themselves?

Mr. GALLUCCI. Mr. Chairman, as recently as Friday and Saturday of last week, I met with representatives, senior representatives from Seoul and Tokyo, who traveled here for the express purpose of talking about what steps we might take next, specifically to talk about the possibilities that could follow from a decision of the Security Council to impose sanctions.

And I would like to make a statement now that I can say has been endorsed specifically by the Japanese Government.

Mr. ACKERMAN. Could you pull the microphone a bit closer?

Mr. GALLUCCI. Certainly. I would like to make a statement that has been endorsed specifically by the Japanese Government. Am I being heard?

Mr. ACKERMAN. Barely. You will be heard no matter how softly you might speak on this, I am sure, but it would be helpful to pull it a little closer. I don't know if the volume is up specifically on the microphone.

If I pull it much closer, Mr. Chairman, I will not be able to speak.

Mr. ACKERMAN. Are the speakers working?

Mr. ACKERMAN. The technical advisers in the corners are telling us that the speakers are not working and somebody is fidgeting with them. Ah, a professional fidgeter has just made them work.

Mr. GALLUCCI. We count on those, Mr. Chairman.

Mr. ACKERMAN. They are essential.

Mr. GALLUCCI. Having agreed on that, let me tell you what we and the Japanese and the Koreans agreed on and what specifically the Japanese have indicated that they fully endorse.

JAPAN BELIEVES IT IS TIME TO SHOW AN APPROPRIATE RESPONSE TO NORTH KOREAN ACTIONS

As indicated following the bilateral and trilateral talks last week-end, Japan believes it is time to show an appropriate response to North Korean actions, including pursuing sanctions at the U.N. Security Council. There are no grounds for portraying U.S. and Japanese views as diverging on this issue. Based on the above perspectives, Japan will take appropriate steps followed by—excuse me, allowed by its Constitution when the U.N. Security Council decides on sanctions.

Mr. Chairman, those consultations were quite thorough, I thought, given the stage we are at at the United Nations with the Japanese and Koreans. We talked about the various parameters of a sanctions resolution. We talked about the circumstances, the implications of various actions, and I am very comfortable with the statement that we made together, the three of us, after those talks. And I would say that we are as confident as we could be at this point.

Mr. ACKERMAN. You say, if the U.N. Security Council passes a resolution. I guess let us work backwards, then.

You speak of our alliance and the agreement between our friends in Japan and the ROK. What about the Chinese and what about Russia and the Security Council? We have sort of gotten some kind of mixed signals from Mr. Yeltsin and Russia, and maybe you can enlighten us as to that and what the discussions with the Chinese might be at this point.

Would they exercise a veto of a real resolution that had teeth? Or are we talking about a series of resolutions getting tougher and tougher yet at this point?

WE HAVE HAD GOOD CONSULTATIONS WITH ALL MEMBERS OF THE SECURITY COUNCIL

Mr. GALLUCCI. Mr. Chairman, first, let me repeat that we have had very good consultations with all members of the Security Council, including the Permanent Five and that includes the Russians and the Chinese. I know that President Yeltsin and President Clinton discussed this issue specifically very recently. And I think we well understand the Russian perspective.

Certainly they have, as they have said publicly, an interest in perhaps at some point having an international conference play a role in resolving this issue. And that is something at the right time, which we believe could well be useful to the resolution of the issue.

I myself do not anticipate any difficulty or any daylight between ourselves and the Russians as we move at the Security Council to consider possible sanctions resolutions.

With respect to the Chinese—

Mr. ACKERMAN. Are you saying that the Russians will not veto a sanctions resolution?

Mr. GALLUCCI. Mr. Chairman, that kind of a flat statement about what another sovereign government is going to do in the future is not something I am comfortable with. I am saying our consultations would reveal to us no basis for concluding that they would do such a thing.

With respect to the Chinese, the consultations there have been quite extensive, too. Both New York, Washington, and also in Beijing.

Generally, the point I want to start with, with respect to the Chinese, is that their strategic objectives here are very close to our own, if not identical, with respect to wishing for stability in North-east Asia. Having that as a foreign policy goal, certainly they have no interest in a war on the Korean Peninsula, and certainly they have no interest in seeing North Korea acquire nuclear weapons and extended range ballistic missiles.

THE CHINESE HAVE TAKEN THE POSITION THAT THEY DO NOT BELIEVE IN PRESSURING NORTH KOREA TO ADOPT A POSITION CONSISTENT WITH THE INTERNATIONAL COMMUNITY'S DESIRES

That said, Mr. Chairman, we know that the Chinese have taken the position consistently and often that they do not believe that pressure is the best way to bring North Korea to adopt a position consistent with the international community's desires. And they have not been, and they have made this quite clear, enthusiastic about pressuring the North Koreans prematurely.

In our own view, what we have been doing in the last year not only makes good sense to us but is not inconsistent with the North Koreans' idea of how to proceed; namely, we have tried patiently to generate a dialogue with the North Koreans, and I think we have demonstrated that to the Chinese as well as to the rest of the international community.

At this point, and in light of the recent moves by the North Koreans with respect to the discharge of fuel from the reactor, we believe we have a new situation. I am not prepared to try and predict how China will vote on a specific sanctions resolution, certainly not knowing in advance what that resolution will look like. With respect to what the sanctions resolution will look like, that is also for me a premature issue.

Mr. ACKERMAN. You have said two different things now with respect to Russia and China, as far as what our expectations might be.

Mr. GALLUCCI. Correct.

Mr. ACKERMAN. As I understand it, any one veto, a veto of any one resolution and—

Mr. GALLUCCI. Mr. Chairman, let me try to be clear, if I have not been. I think we expect the Russians and the Security Council to take a position very close to our own, and I do not anticipate there is any basis to predict a veto.

With respect to the Chinese, the situation is more complicated and difficult, but I am not about to predict a Chinese vote. We certainly hope that based upon our consultations, that we will have the Chinese with the rest of us on the Security Council, but I cannot predict that with confidence.

Mr. ACKERMAN. One would assume that the weaker the resolution, the more likely it is that we get support. Are we prepared for a strong resolution of sanctions that can possibly be expected to be effective and yet go through the Security Council absent a veto?

Mr. GALLUCCI. Over this last week we had our first consultations, in the context of the Permanent Five and then with the other members of the Security Council. We are now assessing the results of those consultations as we come to a conclusion about our own position on what the elements of the sanctions resolution ought to be. And I am not able now to predict to you how we will come out on that point.

Certainly this is a matter and was always a matter in the Security Council of consensus building, and we need, as you correctly noted, all five permanent members to be part of that consensus.

Mr. ACKERMAN. Mr. Lantos.

Mr. LANTOS. Thank you, Mr. Chairman.

Mr. ACKERMAN. We will continue after this vote when we come back.

Mr. LANTOS. I will prefer asking my questions after we cast our votes because I think we have very little time left.

Mr. ACKERMAN. Eric, did you want to get a couple of questions in?

Mr. FINGERHUT. No, thank you, Mr. Chairman.

Mr. ACKERMAN. Let me ask a couple of questions just before the next bell and then we will take off and come back.

ARE WE PREPARED TO ACT ABSENT THE UNITED NATIONS?

Are we prepared to act absent the United Nations? Is the U.S. security interests involved here so that we might need to act independently or are there no U.S. security interests involved here?

Mr. GALLUCCI. There are very fundamental U.S. security interests involved here. Intrinsic to the situation on the Korean Peninsula, there are very important U.S. security interests involved, and certainly there are in the region vital U.S. security interests that could become at risk or could become at risk over time. So there is no question that this is a situation that the United States will not walk away from.

Our policy now is to pursue the course at the United Nations. We had for this past year pursued a course on a diplomatic track. That track we would be pleased to return to if the basis of it could be reestablished.

Mr. ACKERMAN. We are going to take a break here and then come back for some tough questions.

Mr. GALLUCCI. I look forward to that, Mr. Chairman.

Mr. ACKERMAN. We will resume with Mr. Gallucci.

Do we have a commitment from the Japanese that they will make every endeavor to stop the remittances and the transfers of cash to North Korea?

THE JAPANESE WILL COMPLY TO A REASONABLE LIMITATION WITH ANY
SECURITY COUNCIL SANCTIONS

Mr. GALLUCCI. Mr. Chairman, the Japanese have said that they will comply with, to the extent their constitution permits them, of course, to a reasonable limitation with any Security Council sanctions resolutions, so the question is whether the sanctions resolution, either initially or eventually, take account or would limit such remittances.

At this point, I can't predict whether the resolution or resolutions would so limit remittances.

Mr. ACKERMAN. Has already checked their constitution to see if their constitution permits it?

Mr. GALLUCCI. No, and that will not be a constitutional problem, as we understand it.

Mr. ACKERMAN. So the Japanese would stop remittances as long as it is one of the sanctions within a U.N. resolution?

Mr. GALLUCCI. As I understand, that is correct.

Mr. ACKERMAN. If the U.N. failed to act by virtue of veto or whatever else, would we be prepared to go forward with sanctions with the Japanese? Absent the Chinese.

Mr. GALLUCCI. We have said that our goal, of course, is to work through the Security Council and to work on appropriate measures including sanctions. We have said that if that effort at sanctions, if indeed we are engaged in a sanctions resolution vote, does not succeed, we will not walk away from the issue.

We have not been specific about what other steps we would take.

Mr. ACKERMAN. That is part of the problem. If I were the North Koreans, I might not be very concerned right now.

Mr. GALLUCCI. Mr. Chairman, if I could just finish that thought by saying that we would not walk away from the issue and that we would act together with other states in the region and elsewhere.

WE SEEK TO TAKE OTHER ACTIONS TO BRING PRESSURE UPON THE
NORTH KOREANS

We are, I think, sending a pretty clear message that we would seek to take other actions to bring pressure upon the North Koreans to reconsider their position. My only reluctance to go into detail here is that I don't wish to foreshadow the failure of an activity that we intend to work hard at having succeed.

So I don't, by limiting the details on which I really want to engage on what would happen if, mean to suggest that there is nothing out there to deter the North Koreans. I think there is a great deal out there, but I think it is inappropriate to ask the administration to start going into the what ifs if their policy fails.

We don't intend to have the policy fail.

Mr. ACKERMAN. We never intend to have our policies fail, but we are not always successful the first time. It just seems to me at this

point that if indeed whatever options yet remain, unless they are clearly spelled out as options, then the stated goal of getting them to change their policies is not going to work because we are not really letting them know what the sticks are.

Mr. GALLUCCI. Mr. Chairman, we have talked about a coalition of the willing. We have talked about taking measures if necessary outside of the Security Council.

Mr. ACKERMAN. Does that include military action?

Mr. GALLUCCI. Mr. Chairman, we have said and the Secretary of Defense has said that we are not ruling out at this point for all time any particular measure and I am not here this afternoon to do that either. I am not talking about all kinds of contingencies that we can imagine, that could develop in this situation that could get quite serious.

I am not interested in exploring those. I don't think we ought to.

Mr. ACKERMAN. How long are we prepared to give the North Koreans?

Mr. GALLUCCI. What I can foresee in terms of time is within the coming days and weeks and the Security Council taking up this issue and I anticipate taking up the question of sanctions. That is the direction in which we are now headed.

This question of time can be altered and can be affected by actions the North Koreans take.

Mr. ACKERMAN. It seems to me that the only real trading partners, real sources of income, of traffic of any kind, seems to be the Japanese, the Chinese and the Russians make up the bulk of it. Maybe the Iranians—not a very happy thought. But let's assume that with that happy group that there are some amongst them who will not cooperate with us in sanctioning North Korea.

North Korea has to have a clue about that as well, and we seem to be indicating an indefinite amount of patience and placing complete reliability on a policy that so far has not yielded, certainly, adequate results. Would not that signal them that they are playing the game as smart as they can be and as smart as they should be because they are getting more and more and more time?

Mr. GALLUCCI. It is my view that over the last year we have used the time effectively in the sense that we have, as I indicated in my opening remarks, been probing a North Korean position. I know it is said by some critics of the administration that they have known all along that the North Koreans were unwilling to negotiate a settlement of the nuclear issue, unwilling to give up a nuclear weapons program.

I am unclear exactly how they could be so certain. I think it is and it still is the obligation of the administration to make sure, as sure as it can, that there isn't a way through negotiations to have the North Koreans presented with an option in terms of economics and political reentry into the international community that they would find appealing enough to maintain commitments that they have made in the nuclear area.

It may turn out that that is not possible, that the North Koreans are going to remain on the track they appear now to be on, and that is not to return to full compliance with their treaty obligations and safeguard obligations, in which case we have said our policies

call for us to return the issue to the Security Council for consideration of sanctions.

I am not of the view that you can predict the outcome of sanctions, certainly not before the shape of a sanctions resolution has been determined. It is certainly reasonable that we ought to consider what would happen if sanctions either are not voted or do not work.

WE WILL NOT WALK AWAY FROM THE PROBLEM

We have been giving serious consideration to that, and we have said at that point we will not walk away from the problem. We have been unwilling to go into great detail, what we will do, and that is a very reasonable position for the administration provided it is clear to the international community, but particularly to the North Koreans, that we will not allow them simply to get away with it.

Mr. ACKERMAN. You stated earlier that one of the objectives was to make sure that it was unacceptable otherwise for the North Koreans to remove themselves from the NPT. It seems to me we can't force anybody to stay in the NPT with 90 days' notification of which they have given 89 days they can be out of the NPT at a moment's notice.

There are other countries that are part of the NPT. We have no legal right to demand that they stay in the NPT. There is an escape clause. They have chosen to exercise 89/90ths of it. We can't sanction other countries. We don't even know that we can get sanctions.

WE ARE PUTTING OUT CONFLICTING STATEMENTS

We are already putting out conflicting statements even from the administration as to whether or not sanctions could be effective even if we can get the sanctions. There are so many ifs and thoughts and perhaps the policy seems a little bit shaky at this point.

Indeed, are we arguing the wrong things on the wrong terms? We are spending an awful lot of time on their terms arguing whether or not they are in compliance. Let's make the assumption that the IAEA does go in and makes a clear determination that they are not in compliance or they announce that they are not in compliance or they say "We have the same bomb you have." What then?

Mr. GALLUCCI. If I could take each question.

First is the question of their adherence to the treaty. You are right that Article 10 of the Nonproliferation Treaty permits a state to give 90 days' notice and withdraw.

There are a number of legal questions about the way in which the North Koreans went about doing things last year in an effort to withdraw from the treaty. I will note that it is not clear that they executed the withdrawal process properly. It is not at all clear that a state with a withdrawal clause can—

QUITE EVIDENT THAT THEY DON'T CARE ABOUT THE PROCESS

Mr. ACKERMAN. But if I may, it is quite evident, and I will let you answer fully, but it is quite evident that they don't care about the process. They are willing to lie, cheat and steal and we are playing the game of let's see if we can catch them and prove it legally.

Why prove it legally? Let's just assume that they have lied and cheated and stolen.

Mr. GALLUCCI. Mr. Chairman, we could assume that if we like for the sake of argument, but the process is important. We have a treaty regime that is important to a lot of countries in the world. It is part of what we consider the restraints against proliferation of nuclear weapons and we are not about to ignore the process.

We won't be tied up in knots by the process, but there are a couple of points I want to make about that process; that a state can use the process of withdrawal to give its 90-day notice and on the 89th day stop that notice.

If that process was allowed to stand, it could suggest that any state with a withdrawal clause could give that notice, stop the clock and therefore effectively reduce the notice in the future to one day instead of the intended amount of days in the treaty.

So it may not be that they are one day from legally being able to withdraw.

About the question of their IAEA safeguard obligations and treaty adherence, the North Koreans did not on one day in which they were in full compliance with the treaty decide no longer that they wish to be a member and withdraw from it. They were found not only to be in noncompliance with the treaty, but in noncompliance over very important issues, whether they had declared truthfully or had lied about how much plutonium they had separated before.

Under these circumstances for the international community to, let's say, ignore the North Korean withdrawal, I think would be the wrong message, in the first instance to send to the North Koreans, the wrong message to send to the South Koreans and Japanese and to the international communities.

It would be the wrong message to send to Libya, Iran and Iraq about the way the international community would respond were they to ignore their international IAEA safeguard obligations.

The third point that I think you made had to do with whether or not we were focusing on the wrong things in our insistence that the North Koreans abide by their treaty commitments. If I understood the thrust of the question why would we not stipulate they had lied and go on from there.

WE ARE INTERESTED IN THE FUTURE

We are interested in the future, but not about to ignore the past because of implications for our ability to deal with North Korea and for the way the states in the region would regard a rather cavalier way of dealing with one or possibly two nuclear weapons in North Korean hands, and because of the implication for other non-proliferation treaty states, that may have similar inclinations with respect to their treaty obligations in acquiring nuclear weapons.

We are, having said that, not only interested in IAEA safeguards and a Nonproliferation Treaty. We are interested in the capability of the North Koreans to acquire nuclear weapons.

Our effort over the last year has been aimed at engaging in discussions that will allow us to get at not only treaty-limited activity, but also the reprocessing capability in that country at the follow-on 200-megawatt reactor ultimately to deal with them over their behavior in the area of ballistic missiles, not only development for their use, but export.

So there is a lot on the table that we should not walk away from and I don't think by focusing quite properly in the context of the U.N. and the Security Council on IAEA hearings and treaty commitments that we are making any kind of mistake whatever.

THERE ARE NO STATED PUNISHMENTS OR PENALTIES FOR THESE
STATED CRIMES OR VIOLATIONS

Mr. ACKERMAN. It just seems to me that there are no stated punishments or penalties for these stated crimes or violations, which indeed is problematic; and secondly, as far as sending the wrong signal to other renegade regimes, some of which you named, it might also be the wrong signal to send to them that if they do indeed violate the same kind of treaty that they are in for suffering an 8-year negotiation.

I remember when I was younger, and I might have shared this with you, my mother would always say that if you do this or that again, you are going to get punished; you better stop by the time I count to three. It went something like one, one and a half, one and five-eighths, and it went on and on.

My mother had infinite patience. I had as much time as there were fractions. I guess I learned both fractions and a lesson from that.

Mr. GALLUCCI. Mr. Chairman, last time I remember having you share that with me, I noted that I don't remember my family counting at all.

Mr. ACKERMAN. Maybe that is a lesson that we should learn as well. In 1981 when the Israelis thought that the Iraqis had a nuclear weapon, they didn't even count to one. They went in their national interest and wiped out what somebody said was a milk factory.

I don't remember the whole area being inundated with malted after they made their hit—

Mr. GALLUCCI. On that point, I would beg to make an observation, because it is frequently noted; that is to say that example is noted and what people forget is that then we went through a lengthy period of uncovering an extraordinary Iraqi nuclear weapons program that was driven underground and we did not discover it until after the Gulf War.

It may have been an interesting and useful step from the Israeli perspective. At the moment, I don't need to comment, but would comment on how it eventually played out in terms of Iraqi activity after that strike.

Mr. ACKERMAN. The point is very well made, but I am sure none of us would have liked to be faced with half a million American lives on the line during the Persian Gulf conflagration, an Iraq that

had been 10 years more advanced in a nuclear weapons program and had not that strike taken place, we might not have had the opportunity to be discussing it.

Mr. GALLUCCI. It is very hard to know what would have been the future.

Mr. ACKERMAN. Well, we are trying.

Let me call upon my friend Congressman Tom Lantos with whom I share jurisdiction over these issues.

Mr. LANTOS. Thank you very much, Mr. Chairman.

Secretary Gallucci, I want to commend you for a very articulate and concise presentation. I hope you don't mind if I tell you what my reaction is to it because I think it has a profoundly "Alice in Wonderland" quality and I would like to sort of have you dispel that impression of mine.

As you know as well as I do, the lead article in this morning's *New York Times* has a headline which says "Tokyo, reluctant to levy sanctions on North Korea, opposes Clinton's plan. Ban on flow of private funds wouldn't end the nuclear impasse, Japanese say."

The whole article, which was written by a perfectly reputable *New York Times* correspondent out of Seoul, David Sanger, does not differ from your presentation in nuance or emphasis, but it is diametrically opposed to what you are saying.

The *New York Times* may be wrong or your presentation may be wrong, but what makes the "Alice in Wonderland" quality particularly delicious is your almost extraordinary statement on behalf of the Government of Japan of all entities in response to a question indicating that, yes, they are with us.

Now, explain to me why if, in fact, this was part of what you called a firm international coalition—why did you find it necessary to indicate that you as an Assistant Secretary of State working for the Government of the United States, are now making statements on behalf of the Government of Japan?

Mr. GALLUCCI. Mr. Chairman, if I gave the impression I was speaking on behalf of the government—I am not exactly sure what that means—but I know that wasn't my principal intent. I wanted to convey that what I was about to say was something that the Japanese Government was aware of and over which we had consulted.

Let me dejargonize that so we can get Alice out of Wonderland here. The Japanese also read David Sanger and they initiated a contact with us after that *New York Times* article and they wanted to—

Mr. LANTOS. I suspected that. At what level did they initiate it? At the Ambassadorial level?

Mr. GALLUCCI. The Japanese Political Minister here called a Deputy Assistant Secretary of State in order to reassure us that what we had consulted over so intently on Friday and Saturday of last week was indeed the Japanese position and that what we were reading in the *New York Times* this morning was not the Japanese position. Now please, that is about as clear as I think I can get.

Mr. LANTOS. Well, let me pursue it a bit. You have been consulting with the Japanese intensively on this issue in recent days or weeks; is that correct?

Mr. GALLUCCI. I think that is an accurate statement; yes.

Mr. LANTOS. Were the positions reflected in the *New York Times* article the initial positions of your Japanese interlocutors? Did you succeed in persuading them to adopt your point of view? Is the *New York Times* description of the Japanese position totally out of thin air?

Mr. GALLUCCI. I feel uncomfortable and perhaps it is because of the speed with which I read the article this morning—if you could give me substance, I will try to respond.

Mr. LANTOS. Let me give you substance. The Clinton administration's plan to impose new global sanctions against North Korea for its defiance of nuclear inspectors has run into strong resistance from Japan throwing into question the effort to impose strict financial sanctions on North Korea.

JAPANESE ARE BALKING AT A QUICK CUTOFF OF THE HUNDREDS OF MILLIONS OF DOLLARS THAT KOREANS LIVING IN JAPAN SEND TO NORTH KOREA

The Japanese, concerned about North Korea's reaction, are balking at a quick cutoff of the hundreds of millions of dollars that Koreans living in Japan send to North Korea.

Mr. GALLUCCI. If the essence of this is, A, strong resistance; and B, balking, the consultations I had and the consultations I am aware that our embassy had, consultations Secretary Perry had in Japan, none could be characterized as strong resistance and none of what we heard could be characterized as balking on the question of remittances.

The Japanese have some views about how sanctions resolution processes should proceed. They have some views on the content of the resolution as do the Koreans and as you will not be surprised to hear does every permanent member of the Security Council and many of the nonpermanent members.

I am not trying to say there is no texture to this and we have an absolutely firm and agreed position among everybody. If we did, you would have a sanctions resolution on the table right now. But there is a thrust of that piece, the balking at remittances and strong resistance that is not an accurate characterization.

We walked out of the meetings we had on the weekends, the Japanese representative, the Korean representative and myself stood before microphones and said "We were in substantial agreements on every issue of importance. This is an issue of importance."

I don't believe that is accurate. The Japanese Government officials have assured us it is not accurate. I don't know what more to say.

Mr. LANTOS. In your discussions with the Japanese, did they raise the possibility of a terrorist threat by their quarter million strong North Korean resident population?

Mr. GALLUCCI. I want to make sure—I am gazing up because I need divine guidance because I don't want, if they did do this, to forget to include it. I will make a statement which when I hear made by others I see as odd, but now strikes me as appropriate.

To the best of my recollection, Mr. Lantos, I don't remember anything like that.

Mr. LANTOS. Let me ask a question or two about the Chinese. This fictional article in the *New York Times* today also discusses

the Chinese and this is what it says: "China said on Tuesday"—this must be an official statement—"that it is 'blood bound' to North Korea" and Foreign Minister Qian Qichen was quoted in the official China Daily as saying "sanctions are not a sensible choice as they would only aggravate the crisis."

Is this what the Chinese Foreign Minister said or is this also an invention of the *New York Times* reporter?

Mr. GALLUCCI. I must tell you, Mr. Lantos, I cannot confirm those exact words from the foreign minister. Probably others could.

So that we can continue this exchange, I would be willing for the sake of discussion to stipulate that the *New York Times* got that part right and that the Foreign Minister did say that sanctions are not a sensible course; the quote that you have there.

I would rapidly add after such a stipulation that that statement alone in our experience would not be adequate to predict what the Chinese would do in the event of a vote.

We have noted, and I tried to note earlier in response to Mr. Ackerman's questions, that the Chinese have told us privately, as they have said publicly, that they don't think pressuring the North Koreans is the way to go to get the North Koreans to do what everybody wants them to do, including the Chinese, which is to comply with IAEA requirements.

That said, when we get to the key operative question of what the Chinese will actually do if it comes to a vote, I would say again that I don't think we can predict that at this point. Certainly I cannot.

NORTH KOREA IS DETERMINED TO BUILD NUCLEAR WEAPONS

Mr. LANTOS. You know, to the naked eye, it would appear that North Korea is in fact determined to build nuclear weapons or has already built nuclear weapons. This is not an entirely unreasonable assumption because the administration wouldn't be spending the amount of time it is spending on this issue if it had not at least a suspicion that this may have taken place.

We have been told that the intelligence community is divided as to whether it is one or two, or whatever. Assuming that the North Koreans are embarked on this course, do you view this as a threat to U.S. national security?

Mr. GALLUCCI. I do, Mr. Lantos.

Mr. LANTOS. If we consider this as a threat to U.S. national security, at what point will we take action on our own, recognizing that multilateral action is preferable, but since it is so difficult to obtain, as we have seen in Bosnia and elsewhere, at what point are we prepared to move to protect U.S. national security interests?

Mr. GALLUCCI. Mr. Lantos, I suspect that you could predict my answer to this. I cannot predict nor should I when the United States or if the United States will take unilateral action to prevent a North Korean nuclear weapons program. We have described a course of action which I believe is the only prudent one, given the stakes and given the risks.

We are all, I think so far here, prepared to stipulate the stakes are quite high. You asked me if this was a matter of national security and I said yes. I don't think there is any question about that

and I could talk at length on why it is, but I don't think I need to. I don't want to dwell on risks too much, but——

Mr. LANTOS. Let me stop you there. Would you agree that it is a national security threat both in terms of what it represents in the area of Korea itself, and in terms of the possibility of North Korea selling weapons and missiles to rogue regimes in the Middle East?

Mr. GALLUCCI. I will answer that if I could finish the other thought as well.

Mr. LANTOS. Be my guest.

Mr. GALLUCCI. Thank you.

Yes, it is one way of looking at this and this is a personal way of capturing the stakes is to characterize this as really in three areas.

First, intrinsically in the Korean Peninsula we have a profound security commitment to South Korean security and that is solid, and it is being put at risk by what the North Koreans are doing.

THE STAKES ON THE KOREAN PENINSULA ARE ALREADY QUITE GREAT

We have voted with our feet with the 36,000, 37,000 American military in South Korea. So the stakes on the Korean Peninsula are already quite great. When one looks ahead, you were looking at the third area, but one looks at the second area, which is North Korean capability to project power in the next 5 to 10 years, if the ballistic missile program and the nuclear program both go unchecked, pose a threat to the Pacific region broadly to our interests, to our whole vision of the security in Asia. And the third area, of course, is the unending problems that would result from a North Korea that became a seller of nuclear material, plutonium, for example, and of ballistic missiles of extended range.

We think first of the Middle East, not only because of the character of that region, but because of known arrangements that exist and have been executed between North Korea and states in the Middle East in the area of ballistic missile sales. If we put this together, we have an extraordinary threat over time that could materialize from North Korea.

So I think the stakes are quite large and I have no hesitation——

HAVE THERE BEEN BALLISTIC MISSILE SALES BETWEEN NORTH KOREA AND STATES IN THE MIDDLE EAST?

Mr. ACKERMAN. Could you repeat that again? Are you confirming that there have been ballistic missile sales between North Korea and states in the Middle East?

Mr. GALLUCCI. Yes, sir. If there is any ambiguity about that, let me correct that. North Korea is a country that provides SCUD missiles, SCUD launchers, technology to states in the Middle East. There is no question about that.

Mr. ACKERMAN. If you would suffer just a follow-up?

Mr. LANTOS. Of course.

Mr. ACKERMAN. Would you name those states for us?

NORTH KOREA HAS COOPERATED IN MISSILE TRANSFERS TO SYRIA AND INTO IRAN

Mr. GALLUCCI. My understanding is that North Korea has cooperated in missile transfers to Syria and into Iran and that there are additional transfers that have been contemplated.

Mr. ACKERMAN. Have they made any sales to Egypt?

Mr. GALLUCCI. I don't know that, Mr. Chairman.

Mr. ACKERMAN. Thank you. Mr. Lantos.

Mr. GALLUCCI. There was a deal we struck a minute ago. I wanted to complete a thought.

Mr. LANTOS. Fair enough.

Mr. GALLUCCI. I had indicated that the stakes were quite large, but I wanted, as we sat here and agreed on that point that we not understate the risking of intervening in a unilateral way which was the thrust of your question.

WE MUST NOT FORGET THE SIZE OF THE NORTH KOREAN ARMY

We must not forget the size of the North Korean Army. We must not forget its forward deployment, its various capabilities, the vulnerabilities of the South, of Seoul, a city of 13 million roughly, and when we think about our own forces deployed there, remember that they are in harm's way and certainly if there were a conflict, there would be a lot more U.S. forces also put in harm's way.

All this pointing out of the risks is not to suggest that we should be frozen by those risks. It is to suggest that we are being very prudent, as I hope the American people would want us to be with such risks as we try to deal with a problem which has the kinds of stakes that we also agree with associated with it.

Mr. LANTOS. We all want you to be very prudent, but we also want you to be very candid, and I am still not entirely satisfied, I must admit, that the *New York Times* reporter got it all wrong. He is 180 degrees off in his evaluation of what the Japanese position has been on this issue. But that is basically your testimony, that they have been fully cooperative and as you put it at the opening, we have a firm international coalition. Is that correct?

Mr. GALLUCCI. Mr. Lantos, that is an assessment of the situation as I see it at this point.

REPORTS OF RUSSIAN SUBMARINE SALES TO NORTH KOREA

Mr. LANTOS. One small follow-up question. There have been reports of Russian submarine sales to North Korea. Could you enlighten us as to the extent of these sales, the quality of these submarines? Are they operational? Are they junk, as some reports have claimed? What is the status of the submarines?

Mr. GALLUCCI. I will speak to that to the best of my ability and I would like to reserve the possibility of correcting anything I may say or expanding upon it for the record if I don't get it right.

My understanding is that the submarines, which have been negotiated for sale by Russia to North Korea, are essentially scrap, that they are not refurbishable or at least not refurbishable in a way in which they would be made operable for less than the cost of starting from scratch, that they give the North Koreans no gain in naval capability.

That is my understanding of that transfer. I don't know the status of the transfer, whether it has taken place or whether it is still contemplated.

Mr. LANTOS. My final question relates to the question of your evaluation of a possible naval blockade. This would clearly prevent the supply of oil from Iran or other sources in the Middle East. It would prevent the carrying of cash by North Koreans living currently in Japan.

The estimate that I have seen, which is a very broad range, is from \$600 million to \$1.8 billion a year. I would be grateful if you would give us the best estimate the State Department now places on this figure. This figure becomes particularly significant because we are dealing with an economy in North Korea which is less than \$20 billion in terms of gross domestic product.

So if the estimate of the cash transfer is anywhere near the upper range, we are talking about 10 percent of their GDP in hard currency. What are the administration's views on these issues?

Mr. GALLUCCI. If I could start with the last and ask that I be allowed to provide that for the record and we will see what the best numbers are we have for that.¹

With respect to a maritime interdiction force or an effort to prevent goods from, goods and money from reaching North Korea, there is no question but that one of the differences between a resolution that provided for a force and one that didn't provide for such a force is one that is likely to be more effective.

It is also true that one that did is likely to be more provocative and raises the risk of a conflict. I don't know what more I can say to that at this point.

Mr. LANTOS. Thank you very much.

Thank you, Mr. Chairman.

Mr. ACKERMAN. I know some of our colleagues have questions, but in the meantime, I think I would like to find that used sub salesman from the Soviet Union, and go into business with him.

Why would the North Koreans buy 40 scrap submarines? Are they planning a shrapnel attack or something?

Mr. GALLUCCI. I have frequently said why the North Koreans do things is a mystery to me and I have no greater insight as to why they want scrap metal from submarines. Somebody else may be able to answer that and I can be more serious and offer to answer that for the record as well.²

Mr. ACKERMAN. Maybe I could offer a suggestion. Much has been said by the North Koreans as to the effectiveness of sanctions against them and their whole promotion of their self-sufficiency program, that even if isolated more than they have chosen to isolate themselves that they yet can survive.

They have protested that probably more often than credibility would call for. At the same time, they have been testing their Silk-worm missiles. They have been indicating that somehow they could fire upon ships.

One would presume they are trying to tell us that they could take out a blockade and perhaps the apparent purchase or acquisi-

¹ EDITOR'S NOTE: The information referred to will not be a part of the printed hearing record.

² EDITOR'S NOTE: The information referred to will not be a part of the printed hearing record.

tion, if it is indeed real, of 40 submarines would be done to lend credence to their argument that we are not going to get away with a blockade either.

Does that seem to have any degree of program?

Mr. GALLUCCI. My understanding again of the naval value of those submarines is that it is nil, and if they are sending us a message with that, I would say it is a very weak one.

Mr. ACKERMAN. One additional observation is the argument over whether the *New York Times* got it right or got it wrong. Perhaps one Japanese official who was giving one story to the *New York Times* and another Japanese official was giving a different story to your team. Is that something that never happened before?

THE JAPANESE HAVE GONE OUT OF THEIR WAY TO OFFICIALLY DENY
THE ACCURACY OF THAT STORY

Mr. GALLUCCI. Certainly it never happens in the U.S. Government, but I can't exclude the possibility that it doesn't happen in Tokyo. I think the point is that the Japanese have gone out of their way to officially deny the accuracy of that story.

I have gone out of my way to try to reflect that and make their denial consistent, note its consistency with what we have learned from the Japanese in any number of contacts, and I don't know what more we can do with all due respect to the *New York Times*.

Mr. ACKERMAN. They have never given us an indication of willingness to cooperate absent an U.N. resolution?

Mr. GALLUCCI. We have talked about that, but that is not a road I want to go far down in open testimony.

Mr. ACKERMAN. If Mr. Lantos would suggest that some time next week or the following, we might have a subcommittee closed session with you.

Mr. GALLUCCI. That is fine.

Mr. ACKERMAN. Mr. Gutierrez.

Mr. GUTIERREZ. No questions, Mr. Chairman.

Mr. ACKERMAN. Mr. Lantos.

Mr. LANTOS. I would be grateful, Mr. Secretary, if you would give us a little more clear-cut timetable as to where we go from here.

Mr. GALLUCCI. I don't know, Mr. Lantos, how well I can do with that question. I can tell you that I think we are probably days away from being able to discuss among the other members of the Security Council a specific resolution, and there is language in the resolution in which the elements of the resolution are clear and we can among the permanent members and the others negotiate over a sanctions resolution.

How long that will take, I am afraid I can't tell, but it would not be surprising to me if it took more than a week to do that, to agree on language.

Mr. LANTOS. You are this optimistic despite the statement of the Chinese Foreign Minister yesterday, who considers sanctions as counterproductive?

Mr. GALLUCCI. If I seem to be expressing optimism with those words, let me try to correct that impression. I think it is going to take time to agree upon language of a resolution. If it took more than a week, I would not be surprised by that.

I don't know how long it will take. Then there would be a vote presumably on sanctions resolution unless, of course, actions were taken by the North Koreans to make such a vote unnecessary and I am certainly not predicting that.

Following a vote, we would see whether or not the problems anticipated by many of a veto of a sanctions resolution materialized or not. Beyond that, it is very difficult for me to see.

It is the intent of our policy that a situation be created that would force the North Koreans to rethink their position on this issue. It is, I think, often overlooked that the North Koreans have some well-known objectives in the economic and even in the political area that are going to be denied to them.

I think over time if there is a sanctions regime put in place, this may well have an impact on their thinking. It may also be that those who have said all along that the North Koreans never intended to negotiate away their nuclear capability will be proved correct.

My view is this will not have been wasted time in our effort to sort that out so we will know if we end up on a course other than a negotiating course that we have at least tried to negotiate. How long that road will be if we are on another course, I really can't predict.

Mr. LANTOS. Thank you, Mr. Chairman.

Mr. ACKERMAN. Mr. Gallucci, it seems to me that the only reason that we are in this protracted negotiation or discussion with the North Koreans is because of the uncertainty of whether or not they have developed a nuclear weapons program. If that is the case—and I believe it is—we also seem to be demanding of them that they give up that very leverage that they have, and that is the uncertainty of their nuclear weapons program.

As a prerequisite for moving forward in our discussions with them, if indeed they allowed us the transparency that we and the IAEA have demanded, then there would be no reason for us if we indeed found out that they had no nuclear program, for us to continue in negotiation.

It is like somebody comes to hold you up and they point a gun at your head and say "Give me your wallet." You say "I am not going to do anything until you show me whether or not you have bullets in the gun."

If they are willing to show you that they don't have bullets in the gun, you have a whole different position and don't necessarily have to continue the discussion with them. It would seem to me that the gunman would be rather foolish—and I am not on the side of the gunman—but the gunman would be rather foolish if he gave you a full view of his chambers and ended it as far as his end of the negotiation were concerned.

It appears that that is what we are doing with the North Koreans. We are demanding that they give up whatever leverage they have before getting to the bargaining table. I don't see them doing that and I see them continuing to, whether it is bluff or draw it out on the same course that they are going to, number one; number two, what is it that they want? What does the wallet consist of? What are their demands?

That is enough for awhile, I think.

Mr. GALLUCCI. Thank you, Mr. Chairman.

I know there is one, and two, I didn't know whether we were going on.

With respect to one, I think if the premise of the question were correct, I think then what followed would also be correct, but it has not been the administration's policy—I will try to talk in terms of North Korea and not guns and wallets—I have tried to work on that metaphor. I don't think I could sustain it.

If we just talk about North Korea, it has not been the administration's policy to insist that the North Koreans give up their nuclear ambiguity in the first instance. In fact, let me be precise about this. We engaged the North Koreans last June in a dialogue and we said essentially this: We said "Listen, we will talk to you and you have taken the position that you are not going to allow these special inspections to get at what you did in the past.

"That is what is on the table. We are not going to insist that you resolve that before we talk to you. There are conditions here. We are not going to keep talking to you if you keep separating plutonium, if you divert material from the nuclear program. We are not going to lose ground, in other words, while we are talking.

"We will talk and the issue of what you have, i.e., what you have called their leverage, will be what we are talking about."

When we talked about our desire to get to a third round——

Mr. ACKERMAN. You are talking about past?

Mr. GALLUCCI. I am bringing it up to date. When we talked about getting to a broad and thorough approach, we have put out pretty clearly that we are interested in going very far down the road. We have talked about moving to a more normal relationship.

We have talked about economic incentives to cooperate, getting to your question about a new political relationship with us and with the international community. We have not insisted in order to have this discussion, in order to flesh out an arrangement, that they begin by sorting out what happened in 1989.

All we have insisted on is that we not lose ground, and a second thing. We have insisted that since what is on the table, part of what is on the table for us is what they did in 1989, they are not allowed to destroy the evidence of what happened in 1989 and prejudge that.

They may not, for all time, preserve the ambiguity of whether your metaphor, the gun, has bullets or not. But we are not insisting on this upfront. It would be very optimistic as a proposition, I think, but one that we have been intent on testing that this nuclear program of theirs is indeed leverage because it suggests if it is, they would ultimately give it up at the right time, at the right price. That is what we have been exploring.

Unfortunately, the step that they just took, their insistence in discharging fuel from that reactor, which they did not have to do for any technical or safety reason, was a prejudgment, a partial prejudgment, but an important one, of the question of sorting out whether they have one or two nuclear weapons. To that, we said not part of the deal for our dialogue.

That drives us back to the Security Council. It is true that all is not lost and the Director General of the IAEA said there are still ways of getting at that question, but they have done some serious

damage to that possibility. That is something we should not tolerate.

Mr. ACKERMAN. What does that mean?

Mr. GALLUCCI. That means it is not something which we should accept and continue simply to go on with discussions.

Mr. ACKERMAN. If we do not accept that, what does that mean?

Mr. GALLUCCI. It is something that would lead us to do what we said we would do if they did that. We said it is not part of the deal, and if you do that we are back to the Security Council and talking about sanctions. That is what we are doing. That is the right course at this time.

The second question is what do they want—

Mr. ACKERMAN. Well, two things. We are trying to look back to see what they did in order to know what they now have. We are also trying to make sure that there is no slippage presently to lose ground on the position that we think we now have, so that they do not take out more plutonium to be able to do something in the future. And they have now obfuscated that by pulling out some plutonium.

Mr. GALLUCCI. Good summary.

Mr. ACKERMAN. And our reaction to that is basically that we will, therefore, try to get sanctions that we do not know if we can get, whose effect would be something that we cannot evaluate. It does not seem scary to me.

WE ARE DOING WHAT WE TOLD THE NORTH KOREANS WE WOULD DO

Mr. GALLUCCI. Mr. Chairman, I don't know whether your criticism here is we are too soft or we are too tough. It is my view we are just about right. We are doing what we told the North Koreans we would do.

There is virtue in consistency, and we told them that we very much wanted to negotiate a settlement. We are trying to do that, but there are things they could not do if they genuinely wanted to negotiate a settlement. They just did one of them. So we are going to go to sanctions.

If we do go to sanctions, you say we are not sure we will get sanctions. That is true. That is what national politics are like.

You are saying you are not sure sanctions will be effective. That is true also, in terms of the ultimate impact, because we do not know what the resolution will look like.

But let me say that those who discount the impact of a sanctions-based analogy or other circumstances cannot really predict the impact on the political calculations of this regime. They may have to go to your second question, some real objectives which they are not going to achieve as a result of a decision that they have just taken, and they may reconsider that position.

It may be, though, I say again, it may be there is nothing in terms of a negotiation that will bring the North Koreans around to satisfying us on the nuclear issue. And if that is true, we will have to deal with that. At this point, we are still proposing that, and we are going to move to the next step, and that is very likely to be sanctions.

Mr. ACKERMAN. Before turning to Mr. Leach, why did they do what they did?

IT'S VERY HARD TO GET AT NORTH KOREAN MOTIVATION

Mr. GALLUCCI. I said earlier, Mr. Chairman, that it is very hard to get at North Korean motivation. There are a couple of views of this and let me just give you one or two.

One view is that the North Koreans are very interested in preserving this ambiguity, either because they have one or two nuclear weapons or because they do not, and either way they do not want it revealed.

They knew, because certainly we and the IAEA told them, that the ability of the agency to do this nondestructive analysis of the fuel in coming months was extremely important to sorting out what exactly they had done in 1989, and they did not wish that opportunity to be available. That is simply one explanation of why they did what they did.

Mr. ACKERMAN. It seems to me if they do not want it to be available, it will not be available. As I referred to in my opening statement, they control the evidence. They can destroy the evidence or show the evidence or pretend they have evidence—they could do any number of things—but it seems to me their course of action, in answer to my own question of why they did what they did, evidently there was not sufficient motivation for them not to do it.

Whatever it was they thought, whatever leverage we thought we had, evidently we did not have.

Mr. GALLUCCI. What I think I know to be true is that this was a political decision, not a technical one. And what we are aiming very often—

Mr. ACKERMAN. It is technical to the point where they can becloud the entire past, is it not?

Mr. GALLUCCI. Mr. Chairman, it was a political decision, and what we are hoping to do, if we do move to sanctions, is to influence those political calculations. That is what this is about.

And maybe, as I say again, it will not be possible. It may be that it will be possible. I don't know enough about the way the North Koreans make these decisions to predict.

Mr. ACKERMAN. Our ranking member, Mr. Leach.

Mr. LEACH. Thank you, Mr. Chairman.

A SITUATION OF NUANCES AND AMBIGUITIES

I think you have laid out a situation of nuances and ambiguities, but there are certain things for which there is some certitude about, and it strikes me that at issue is where we are in the stages of development of a crime.

We have been operating a policy as if we can stop a crime from being committed, but it is quite clear the crime is under way. And so at that point in time the issue becomes one of punishment; that is, if you cannot stop, you must punish. And then you look at the options of punishment, and there is obviously, in our kind of lexicon of crime, you have capital punishment, which implies a military solution, and that seems to be unreasonable; but then you have incarceration.

And here it strikes me that there is a very formidable case that the United States ought to incarcerate North Korea, and that implies not only no trade but no movement out, of North Koreans, out

of their prison. You cannot sell weapons to the Middle East if you cannot move people or goods.

That ought to be the policy of the United States. And then we should have a policy that makes it clear when you commit a crime that there is some certitude, there is a substantial sentence. That it is not going to be for a week or 2 weeks, that it is going to be of some length. And that it is up to North Korea to create a circumstance where maybe good behavior can produce some sort of leniency. But I do not have a sense that we have been talking about long-term sentencing. And I think we can.

Now, there is an aspect of the great question, why have nuclear weapons? One of the lessons of the last 50 years is that there is some psychological reasons to have them, there are some second strike reasons to have them, but in real terms it did not do the Soviet Union any good in holding a union together. Did not help the Soviet Union in Afghanistan, did not help the United States in Vietnam. And who are they going to use these weapons against?

My sense is that these weapons and the weapons production for their own good as well as for the good of the world community, it has to be clear a pretty sharp sentence is applied. And so I think it is up to the United States to make that clear.

Now, some of our allies have some doubts about putting these people in too much of a corner, but there ought to be some aspects of that corner that we can outline that can be accepted by everybody. It should not be a problem for China that any North Korean should be allowed to leave to the Middle East, that any Middle Easterner should be allowed to arrive in North Korea. That ought to be a sanction. And I have never heard that on the table. But I think we have to look at North Korea as an imprisoned country based upon having committed an international crime.

I do not have a sense that that is the way the United States precisely is looking at it. We are looking at this in some sort of a, well, there are some economic sanctions that might be applied, and I would hope we kind of change our mental framework.

Now, does that seem like an irrational kind of logical way of looking at things; or does that fit the circumstance of the State Department?

Mr. GALLUCCI. Mr. Leach, all I can say is that while I do not want to talk about the details of the sanctions resolution, because for me that would be premature, I have to admit that I have not seen a proposal that would have a restriction on the movement of North Koreans, as I understand you are proposing. And all I can say is I will take that back and we will look at it. But by saying that, I do not want to encourage now a line of questions that go at details of a sanctions resolution. But I think that is a point I at least personally had not thought about and I will.

WHAT ABOUT THE ISSUE OF MOVEMENTS OF AMERICANS?

Mr. LEACH. Very well. What about the issue of movements of Americans? Are we thinking of raising our troop strength in South Korea?

Mr. GALLUCCI. Mr. Leach, we have, over the last number of months, listened very attentively to General Luck, who is our force commander on the scene, as to his needs and requirements, and we

have been responsive. He is the closest one and the best one to do the assessment of what is needed.

He, together with the Joint Chiefs of Staff here, the Secretary of Defense, the President, assess the political situation and the military situation and see what may be necessary to augment our presence there in men or equipment. We have made some augmentations, we have made some changes and some improvements in our readiness and force capability over these months. That has been the judgment as to what was appropriate.

Mr. LEACH. How many men do we have there?

Mr. GALLUCCI. Beg your pardon?

Mr. LEACH. How many of our military are assigned to Korea today?

Mr. GALLUCCI. Assigned to Korea? The number is about 37,000 Americans.

Mr. LEACH. Has that number increased in the last 6 months?

Mr. GALLUCCI. I suspect it has, but not substantially.

Mr. LEACH. Do we have plans to increase it further?

NO CURRENT PLANS TO CHANGE OUR MILITARY POSTURE

Mr. GALLUCCI. At the moment we have no current plans to change our military posture. But what I do want to leave you with is the message that certainly we review that posture under these circumstances frequently and we will take whatever measures are judged necessary to assure a deterrent posture and a defense posture if necessary, not only for South Korea but for the Americans deployed there.

Mr. LEACH. Fair enough.

Thank you, Mr. Chairman.

Mr. ACKERMAN. Thank you, Mr. Leach.

NORTH KOREANS HAVE SAID THAT IF SANCTIONS WERE IMPOSED THAT THEY WOULD CONSIDER THAT AN ACT OF WAR

Tying in with Mr. Leach's last question, the North Koreans have said, and indeed have been saying for some time, that if sanctions were imposed that they would consider that an act of war. We said before that that, indeed, if they foreclosed on the possibility of the IAEA making their complete inspections that we would impose sanctions.

Now, we are into a, hopefully, a small chain of reactions where they have refused us or refused the IAEA access. We have declared that we are going to look for sanctions. They have said that if we are successful at the sanctions they and we, presumably, and others, would be in a state of war. Now, we are proceeding along the sanctions route and, indeed, President Kim was speaking with Mr. Yeltsin—President Clinton was speaking with Mr. Yeltsin trying to line up Russian support for sanctions.

You have shared with us the Japanese correction of the *New York Times* article; that they have been spoken to about sanctions, so one might presume that we are on the road at least to sanctions, which would, as my understanding of it, put into play their declaration that we will be at a state of war.

ARE WE REALLY PREPARED FOR WAR?

What have we done as a next step, assuming that we are going to get sanctions and be successful and have their declaration of war effective, with 37,000 Americans under the gun, as they are with the prepositioning of North Korean troops at the DMZ and elsewhere? Are we really prepared for war? And if they have declared this and we are not, why not?

Mr. GALLUCCI. Mr. Chairman, North Koreans have said many things over the past months and years, and my first point is to note that one must put their words in a context and recognize that they do not necessarily predict what the North Koreans will do. Having said that, it would be imprudent to ignore those words, and I do not mean at all to suggest that we are.

My second point is that if the words that they have uttered about the implications of sanctions are intended to intimidate the United States and South Korean allies, Japanese allies, and the international community broadly, it will not work. We are intent on not having it work.

Third point is that, as I responded to Mr. Leach a moment ago, we are daily assessing our posture in South Korea. That assessment takes full account of the international situation and possibilities that may follow from a movement in the direction of sanctions. And I want to assure you that our military posture will be adjusted as we conclude is necessary.

WE WILL DO WHAT IS NECESSARY

I cannot in this context and at this open hearing go into any further detail, and, indeed, in order to get more detail we would have to include at this table those from the Department of Defense. So I want to make essentially a political point here and a national security point and that is that we will do what is necessary; that what is necessary we judge to deter the North Koreans, but ultimately, what is necessary to defend South Korea and Americans that are now deployed in South Korea.

Mr. ACKERMAN. I fully appreciate your answer and look forward even more eagerly to the joint hearings that Mr. Lantos and I will have in closed session with yourself and others that have been suggested.

But just to reemphasize the same point and put out a word of caution. I knew somebody once who threatened to jump off a roof and he did not. And he threatened to jump off the roof a second time and did not, the fourth time he jumped off the roof.

We are dealing with a rather unpredictable country here, as you have indicated, but just because they have made threats in the past and not followed through on them is no indication that they will not follow through on them, because they have done some rather undesirable and unpredictable things in the past.

We could probably think of a quick 37,000 reasons that we might want to take them a lot more seriously.

Mr. GALLUCCI. Mr. Chairman, I do not want to be misconstrued here. Maybe the best way for me to clarify what I said is, had they not made any threat whatever, we would be watching very carefully what they did and would have to take account of the possibil-

ity of a violent reaction to sanctions and we are taking account of that.

Mr. ACKERMAN. I am just suggesting that it would be not only a tragedy of lives but a tragedy of policy if North Korea did what they said they were going to do and we sat there scratching our heads, you know, saying, well, they lied about it before.

Mr. GALLUCCI. Mr. Chairman, again, if I do nothing else having spent these hours here, I do not want to leave the impression by saying the words that we should not believe everything North Korea says, that we are going to ignore a warning that they may consider it an act of war. I do not believe we should believe everything North Korea says but we are certainly not ignoring what may be the defense implications of a sanctions resolution.

Mr. ACKERMAN. There are those of us that just want to place on the table very cautious concern that indeed if somebody is saying that our actions will be triggering a war, that we must indeed do everything that we must do to prepare for that possibility. Our credibility as well as theirs are at stake as well as many lives, Americans and others.

Mr. Lantos.

Mr. LANTOS. I just have one more question.

CHINESE COOPERATION WITH US ON NORTH KOREA

As you know, we have had a rather lively debate about MFN for China. And one of the arguments used by those who wish to extend MFN to China was that we have many fish to fry with the Chinese, and one of them is their cooperation with us on North Korea.

You are the officially designated special coordinator for North Korea, so you have to be part of the discussions involving Chinese cooperation with us, vis-a-vis North Korea.

What specific discussions have we held with the Chinese on this issue?

Mr. GALLUCCI. Mr. Lantos, I have, in the past couple of months, which is the time period of my freshest memory, have had many, more than five, individual conversations in my office with representatives from the Chinese Embassy. I myself have conducted any number of meetings in New York with their representatives at the United Nations. I myself have had contacts in Beijing with the Chinese leadership on this issue.

Mr. LANTOS. Were they of a quid pro quo character?

Mr. GALLUCCI. Let me add something to that.

Mr. LANTOS. Please.

Mr. GALLUCCI. Because what I wanted to add by noting my own role was to put it in a larger context. Others more senior than myself have engaged the Chinese in Washington, in New York, and in Beijing.

THIS IS AN ISSUE OF EXTREME IMPORTANCE TO THIS ADMINISTRATION

This is an issue of extreme importance to this administration. It is also, for the Chinese, a very important issue. They have a border with North Korea, so this has been on the table between us and the Chinese for some time, and with increasing intensity, obviously, as the situation deteriorates, and that is exactly what it is doing.



Mr. LANTOS. Well, I understand that you have had discussions. My question really is, was there any discussion of a quid pro quo in terms of MFN and Chinese cooperation in our dealings with North Korea?

Mr. GALLUCCI. Mr. Lantos, I can tell you that in my conversations there was no such discussion of a quid pro quo. And I cannot tell you that I am aware of others having a discussion in the way you put it, that for this, you get that. I am unaware of that. I cannot exclude that.

Mr. LANTOS. Is it because linkage is beneath our dignity or why? The normal thought processes of an individual in dealing with this issue would be that if we do something which they very much want, we would want them to do something that we would like to have.

Mr. GALLUCCI. Mr. Lantos, there is a level of exchange here that I cannot speak to, but I will say it is my understanding that part of the reason that the President gave for his decision on an MFN was the importance of our relationship with China to our other interests in Asia in the years ahead.

The North Korea situation and its evolution is among those issues that we care a great deal about. It is reasonable to expect that the environment for positive cooperation with China was improved by the MFN decision. I personally think it was. There is a leap, another leap, though, one has to make to then predicting and knowing that the Chinese will express that through a particular vote on a particular sanctions resolution which has not yet been drafted. So I really cannot predict that.

Mr. LANTOS. But the only official statement we have on the record thus far is the Chinese Foreign Minister's statement that sanctions would be counterproductive.

Mr. GALLUCCI. It seems to me that given the Chinese position on this all along, for them to be saying publicly that they have suddenly decided that sanctions are in fact an extremely useful tool which they will embrace enthusiastically, provided they are draconian, of such draconian type, would be an unlikely position for them to take at this point. It is more likely they would continue publicly to say what they have in the past.

I am not surprised by that. I am not pleased by that, but I am not surprised. I think the work we have put into explaining to the Chinese the rationality for our approach to this issue, and trying to convince them that it is in their interest as well as the rest of us in the international community for them to come along on the subject of sanctions, may well pay off. But I am not at the point of predicting with any certainty that it would.

Mr. LANTOS. You have been very generous with your time. Appreciate it.

Mr. GALLUCCI. Thank you.

Mr. LANTOS. Thank you, Mr. Chairman.

Mr. ACKERMAN. Thank you, Mr. Lantos.

Senator McCain has staked out a position that this would be the appropriate time for some kind of military resolution of this crisis. Their reactor being down—and I do not mean to misquote or misparaphrase him—but their reactor being down, this would be the best of all possible times to perform a strike.

How do you react to that?

Mr. GALLUCCI. In two ways: First, on the technical point of it is best to attack a reactor that is not up, it is best to attack a reactor that is down. The concern about attacking reactors, and there should be enormous concern about attacking reactors any time, that concern exists in a special way as a target to any nuclear facility where there are fission products and by-products contained in fuel. And that is still there in spent fuel.

And, presumably, Senator McCain would like to attack the facility so it cannot produce more plutonium, but so the 20 or 30 kilograms in the spent fuel could be destroyed or dispersed as well.

So the point—the first point I want to make is a narrow technical one, and not terribly important, and that is that there is no way one could be assured that the damage that would be done and the collateral concern about spreading radionuclides around would be diminished by attacking the facility in its current state. But that is a relatively minor and technical point.

The much larger point, I think, Mr. Chairman, is that, and I certainly do not mean to say that Senator McCain does not have a right to his view, but I think there is a very good argument to be made that the administration has adopted the course it has because it is concerned that we demonstrate to ourselves as well as the international community that there is no possibility—that we explore the proposition at least that there is a possibility that the whole issue can be settled through a negotiation in which the North Koreans are brought into the international community.

I know, as I said earlier, that many think that this is a vain hope, and the criticism has even been harsher than that, that it is an absurd hope. I do not know how these critics know so much about the North Korean calculations. I think that extrapolating from past horrendous behavior of the North Koreans does not tell us what the North Koreans now would be willing to do to get some other objectives achieved in terms of the future of their regime.

It seemed to me to be a very reasonable course that we continue to try to negotiate a settlement; that we have some bounds on that effort, and that we have described those bounds. And if the North Koreans have recently crossed one of those lines, that leads us back to the Security Council. That it is also reasonable to, at this point, suggest that enough is enough and that military action ought to be taken on a unilateral basis, strikes me as an imprudent move under current circumstance.

At this point it seems to me that the international community ought to have a chance to respond; that we ought to look to sanctions, if necessary, we ought to see if we cannot further explore negotiations, if that becomes possible. I do not see the move right now to a military action given all, not only the stakes, but the risks involved as being the right course for this country.

Mr. ACKERMAN. Let me, if there are no further questions, Mr. Lantos.

Mr. LANTOS. Well, I do not have a question. I just want to commend you for your last statement. I think it was a very responsible statement.

Mr. GALLUCCI. Thank you very much.

Mr. ACKERMAN. Let me say on behalf of both of our subcommittees, we appreciate the patience that you have exhibited here with us during this lengthy hearing, and we do not envy your task in dealing with folks that are possibly even more difficult than we are.

Thank you very much. We look forward to seeing you in the closed session.

Mr. GALLUCCI. Thank you very much, Mr. Chairman. Appreciate it.

[Whereupon, at 5:30 p.m., the subcommittee was adjourned.]



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